Ministry of Central Services

Annual Report for 2014-15

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Government of Saskatchewan

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Letters of Transmittal

The Honourable Jennifer Campeau Minister of Central Services

Her Honour, the Honourable Vaughn Solomon Schofield,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of the Ministry of Central Services for the fiscal year ending March 31, 2015.

The Ministry of Central Services made considerable service contributions, supporting the needs of government, over the past fiscal year in all the Ministry's service areas.

Highlights of these contributions include the government-wide rollout of the Windows 7 operating system, allowing government to provide better, more reliable and secure services to government employees.

Technology has also helped Government of Saskatchewan's Central Vehicle Agency launch Fleetwave, an around-the-clock online vehicle booking system, improving service to ministries.

Highlights also include the planning and start of construction on a project to restore the Saskatchewan Legislative building's dome, which will preserve the province's seat of government and important architectural landmark.

Health, safety and sustainability are at the core of all the Ministry's improvements over the past year. The Ministry rolled out its first Health and Safety program and accompanying manual, strengthening this important pillar of our business, while carrying out approximately 30 projects that contributed to an overall CO_2 emissions reduction of 9,278 tonnes.

The Ministry has also begun a transformation process to improve its procurement of needed government goods and services, providing a better environment for innovative products and services.

The achievements outlined in this 2014-15 Annual Report demonstrate government's commitment to providing excellent, accountable and financially responsible service.

J Campeau

Jennifer Campeau
Minister of Central Services

Government of Saskatchewan

Richard Murray
Acting Deputy Minister
of Central Services

The Honourable Jennifer Campeau
Minister of Central Services

Dear Madam:

I have the honour of submitting the Annual Report of the Ministry of Central Services for the fiscal year ending March 31, 2015.

The contents of this report outline the operations of the Ministry of Central Services for the 2014-15 fiscal year.

Central Services takes accountability for the report and the information herein related to its operations. I am responsible for the financial administration and management control of the Ministry of Central Services, and therefore would like to assure you the information is accurate, complete and reliable.

The Ministry's commitment to its vision, mission, mandate and goals drives the Ministry toward continual progress, reinforcing the strategic vision of the Province.

Richard Murray
Acting Deputy Minister of Central Services

Introduction

This annual report for the Ministry of Central Services presents the Ministry's results on activities and outcomes for the fiscal year ending March 31, 2015. It reports to the public and elected officials on public commitments made and other key accomplishments of the Ministry.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2014-15 Plan. The report also demonstrates progress made on Government commitments in the Government Direction for 2014-15: Steady Growth, the Saskatchewan Plan for Growth – Vision 2020 and Beyond, throne speeches and other commitments and activities of the Ministry.

The annual report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The Ministry's activities in 2014-15 align with Government's vision and four goals:

Our Government's Vision

A strong and growing Saskatchewan, the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

Government's Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Meeting the challenges of growth.
- Securing a better quality of life for Saskatchewan people.
- Delivering responsive and responsible government.

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

Mandate

The Ministry of Central Services provides central coordination and delivery of property management, information technology, project management, procurement, transportation and other support services to government ministries and agencies.

Mission

The Ministry supports government program delivery by providing property and project management, information technology (IT), transportation services, purchasing, risk management, records management, telecommunications and mail distribution to client ministries and agencies. By fulfilling its mandate, Central Services enables customers to deliver quality, efficient and effective programs and services to the people of Saskatchewan.

We're enabling our customers to provide excellent service within a smaller, responsive and responsible government.

Services

Central Services' Property Management division manages government's space such as office buildings, courthouses, correctional centres, laboratories, warehouses and storage buildings. The managed portfolio is a combination of owned and leased buildings in the province which is determined by factors such as cost and availability of leased space as well as the available owned space within the Ministry. The Ministry plans and prioritizes building projects such as the maintenance and upgrade of building components as well as space changes or tenant improvements required to the clients' space to meet their program needs. In leased space, contracts are negotiated and managed. Where the buildings are owned, the Ministry manages operations and maintenance of the facilities, ensuring their security and sustainability.

The Ministry's Information Technology division manages the Government of Saskatchewan's information technology (IT) network including its architecture, security, file systems and physical infrastructure such as computers, storage systems and mobile devices. Central Services also assists clients with the procurement, operation, management and upgrading of applications. Inherent in these services is the identification and management of information technology risks.

The Ministry's Central Vehicle Agency (CVA) owns and manages the vehicles that enable customers to carry out their responsibilities on behalf of government. In addition, the Ministry owns and operates the aircraft of the Saskatchewan Air Ambulance program and the Executive Air program.

Central Services also provides a number of other services to ministries and agencies, such as procurement, mail, telephones and records storage. In addition, the Ministry manages the internal systems required to carry out its responsibilities, including financial services, internal audit, communications, corporate planning and risk management.

As of March 31, 2015, Central Services had 898 full-time equivalents. The Ministry leased or owned 688 buildings located in 150 communities. Owned buildings had a replacement value of $4.34 billion. The Ministry also owned 4,200 vehicles and six aircraft.

During 2014-15, Central Services processed 16 million pieces of mail, delivered 64 million emails, completed 59,000 IT service requests, stored 216,000 boxes of government records, supplied 1,385 photocopiers and tendered $140 million in goods and services.

Progress in 2014-15

Government Goal: Responsive and Responsible Government

Strategy - Service Excellence

Results

Embed a customer service culture in everything we do.

The Ministry of Central Services has an initiative in place to foster a culture of providing customers with the best service possible.

As part of this culture initiative, a survey was released to Central Services' employees to measure their engagement and clearly identify the five core values important to the Ministry.

The survey found that 86 per cent of responding employees reported that they view the customer as the priority and 95 per cent reported that they believe they understand what is expected of them to deliver good service.

At the IT Service Desk within the Ministry, service desk agents demonstrate high-quality customer service on a daily basis. They answer a multitude of questions on a wide array of IT topics and help customers quickly resolve issues.

Following the consolidation of government's IT service in 2002, the Service Desk began to track the total number of calls resolved. In the past fiscal year, the IT service desk celebrated a milestone – as of October 6, 2014, the team logged their millionth call.

Establish a client service model that best meets client needs.

Employees at the Ministry of Central Services meet the needs of clients on a daily basis by providing advice to customers on service matters, providing services and forming partnerships for complex projects.

While the client service model is more established in some of the Ministry's areas than others, a collaborative customer service model is often how the Ministry works with its customers to fully understand the issues, collectively problem-solve and fulfill the Ministry's responsibilities for timely response and service.

- Central Services has employees on the joint committee for the Saskatchewan Hospital in North Battleford. These employees have worked continuously with SaskBuilds, the project's lead, the Ministries of Health and Justice and the Prairie North Health Region during the public-private procurement process. The Ministry of Central Services is the owner of the existing site of the Saskatchewan Hospital and has worked on plans to bring utilities and other site amenities to the project site prior to planned construction slated to begin in 2015.
- Officials from Central Services' Telecommunications branch and the Information Technology division worked collaboratively with officials from the Ministry of Education and eHealth Saskatchewan to negotiate a new, five-year contract for CommunityNet services. The CommunityNet services securely connect the provinces schools, colleges and regional libraries, health agencies, and government ministries and agencies networks. The new contract ensures that Saskatchewan public services will continue to share the benefits of the CommunityNet service.

Become a trusted advisor to all customers.

The Ministry continued to provide service expertise and advice to ministries about the provision and procurement of all centralized government services. As a result, the Ministry tendered $140 million worth of goods and services in 2014-15.

The Ministry also provided capital planning advice to ministries preparing their own capital plans.

Apply Lean methodology to review and improve Ministry services.

The Ministry carried out several improvement-related initiatives in the 2014-15 year. These initiatives included planning sessions to help Construction Services prioritize projects, to help the IT Service Desk provide better service, and to help the Ministry improve its procurement of goods and services needed by government.

As a result of these initiatives, Construction Services' projects are prioritized in a more transparent and standardized way. The Ministry expects more accurate estimates, less rework and less time spent finishing construction projects. The Ministry also anticipates that its clients will be more aware of the services available and have better customer satisfaction.

Collaborative planning with the client for construction projects leads to better renovations and better use of these services by clients.

At the IT Service Desk, a focus on better service led to consideration of an alternate control desk system. Work continues to investigate solutions that will best meet the Service Desk's business needs.

The Procurement Services branch initiated a Lean Procurement Transformation and Improvement Initiative to help the Ministry improve its procurement of needed government goods and services. This solicited input from ministries and private sector suppliers.

It included a detailed spend analysis and four detailed process studies that examined how the Ministry and Government procures goods, services, information technology and construction. This work also included consideration of several business improvements.

The outcomes of the initiative were shared with Priority Saskatchewan for inclusion in a broader review of government ministries' and Crown corporations' procurement.

Procurement Services will support Priority Saskatchewan's 13 identified actions for improving procurement in government and the Crown sector.

The Central Vehicle Agency began with online bookings for government-use vehicles for the first time, which eliminated paper requisitions, manual vehicle tracking, billing and distance reporting.

The new system for booking vehicles, called FleetWave, accepts vehicle bookings 24 hours a day, seven days a week. It gives clients direct access to their own fleet data, so that they can make better decisions about spending on vehicle use. The new system also reduces costs by using real-time information to keep the fleet at the right size, and vehicles at the right place, for government's needs.

The Ministry has not only made booking easier, but has also created a better experience for drivers of assigned vehicles needing maintenance.

A new hosted call centre service automatically routes drivers' and vendors' calls to the first available mechanic, so that they can get the information they need about the vehicle's maintenance and repair status.

As a result of this new system, the workloads of mechanics were better balanced, with new incoming calls being directed to available mechanics with the right skill sets. Clients and vendors are better able to reach mechanics quickly, cutting down on mechanics' time spent taking messages, calling back or leaving messages, and on client's time spent waiting for information or services. Government's relationships with vendors have also improved as a result.

Government also reconfigured its main Central Vehicle Agency facility and parking lots at 500 McLeod Street, Regina for greater efficiency. Coloured markers for use on top of cars indicate their maintenance status and priority. Vehicles made ready for customer delivery in a shorter timeframe means the potential to save the Ministry approximately $500 each month per new vehicle.

New fluorescent lane markings and retractable barriers have led to better vehicle flow and safety for staff and visitors to the Central Vehicle Agency.

The clean-up has also led to better inventory tracking, with the vehicles received earliest at the Central Vehicle Agency being processed before those coming in later. It has also led to better preparation of vehicles being offered for sale.

Performance Measures

Customer Satisfaction (Information Technology)

In the past, the Ministry measured the satisfaction of the clients of the IT division of Central Services. For the past

two years, this measure was not completed as the Ministry is planning to expand its measurement of satisfaction starting in 2015-16 to include all business lines. The Ministry will proceed with this measurement once appropriate methodology has been established. Once baseline measurements are in place, the metrics will be tracked on an annual basis.

Strategy - Sustainability

Results

Work to reduce the CO_2 emissions of government buildings.

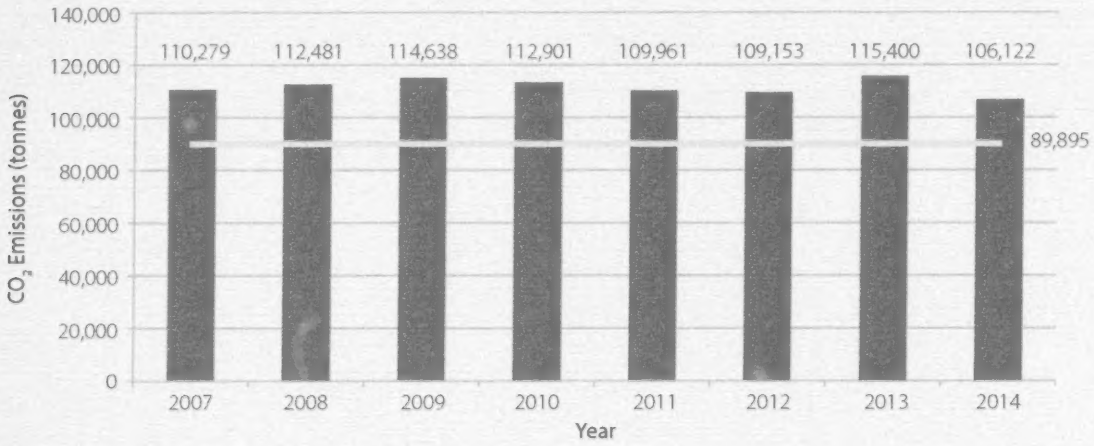
A number of factors impact building carbon emissions (total tonnes of CO_2) including:

- weather (number of heating/cooling days);
- portfolio changes (increase/decrease in the amount of space including disposal of older facilities);
- sustainability/energy management projects;
- facility upgrades and replacements meeting environmental certification standards; and
- the emission factor of utility companies as they upgrade and become more efficient.

Certification of buildings to environmental standards includes the Leadership in Energy and Environmental Design (LEED) for new buildings and the Building Owners and Managers Association (BOMA) Building Environmental Standards (BESt) for existing buildings. The Ministry has two LEED certified buildings and four buildings currently in the LEED certification process. Also, Central Services has 20 buildings with BOMA BESt certification and seven additional buildings in the process of achieving BOMA BESt.

Performance Measures

Total Building Green House Gas (GHG) Emissions



Source: Central Services, Property Management division

Government of Saskatchewan

The Ministry of Central Services used the total building GHG emissions measure to monitor the environmental impact of building operations. This was measured in tonnes of CO_2, based on energy consumed (both electricity and natural gas), which is estimated from billing information. This monitoring of environmental impact supports the Ministry's strategy to manage building portfolio operations to reduce environmental impact, improve efficiency and reduce expenditures. Only buildings that are owned and operated by Central Services are shown.

The total CO_2 emissions target is 89,895 tonnes by 2020, which would be a 20 per cent reduction in carbon from 2007 levels.

Building emissions are affected by many factors including the weather, building types, building size and the mix of energy sources used each year.

The CO_2 emitted by the Ministry for owned and operated space decreased from 115,400 tonnes to 106,122 tonnes during the year. The Ministry delivered approximately 30 projects that contributed directly to this reduction. These projects included:

- multiple light-emitting diode (LED) light retrofit projects in various buildings, including equipment storage buildings, weigh scales, two correctional centres and a warehouse;
- power factor correction to ensure efficient use of the electrical supply at two locations; and
- work on two building management systems that regulate the building's heating, ventilation and air conditioning.

Reduce the fleet emissions (20 per cent by 2020) and improve the fuel efficiency of government vehicles (may include education and the use of telematics).

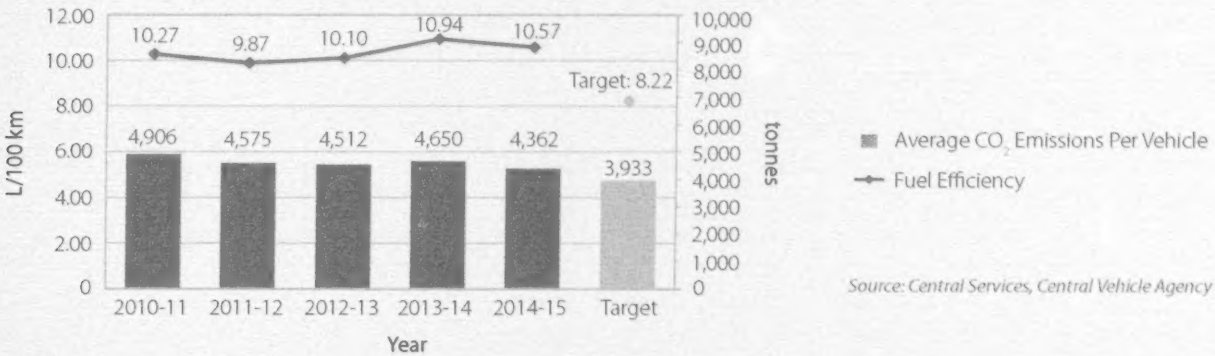
The Central Vehicle Agency (CVA) implemented strategies to reduce the environmental impact from vehicle fleet operations. The Ministry ensures vehicles are running in the most efficient, cost effective and value-added way.

The joint new vehicle procurement process through the New West Partnership evaluates and identifies the most fuel efficient and economical vehicles in each category. Right sizing is also part of the ongoing environmental strategy. The most fuel efficient vehicle for the job requirements should be used to ensure maximum environmental responsibility and savings for the Government and the people of Saskatchewan.

Telematics, the use of technologies to transmit data on vehicle use, maintenance requirements or automotive servicing, is under review as a potential strategy in improving fuel efficiency.

Performance Measures

Fuel Efficiency and CO_2 Emissions per Full Maintenance Passenger Vehicles



Source: Central Services, Central Vehicle Agency

Central Services used the fuel efficiency and CO_2 emissions per full maintenance passenger vehicle measure to demonstrate progress on reducing environmental impact of operations by better managing the vehicle fleet.

The environmental impact of vehicle operations was measured in two ways – by looking at the average vehicle fuel efficiency and carbon dioxide (CO_2) emissions.

Vehicle efficiency was calculated by dividing the amount of fuel used by the fleet by the distance travelled.

Emissions were calculated based on approximately 2.32 kilograms of CO_2 release per litre of fuel burned.

Many factors affect fuel efficiency, including the type of vehicle, amount of use and driver behaviour. CVA has partial control over this measure by influencing its clients to make environmentally conscious decisions.

Currently efforts to reduce the environmental impact of fleet operations are concentrated on right sizing the fleet, communication efforts to influence positive driver behaviour and improving measurement and evaluation of fuel consumption.

Both measures reflect CVA's full maintenance passenger vehicles only. Passenger vehicles are primarily used for transporting people, and include compact sedans, mid-sized sedans, mid-sized station wagons, minivans and large sedans. Special-purpose and service vehicles are excluded from these measures.

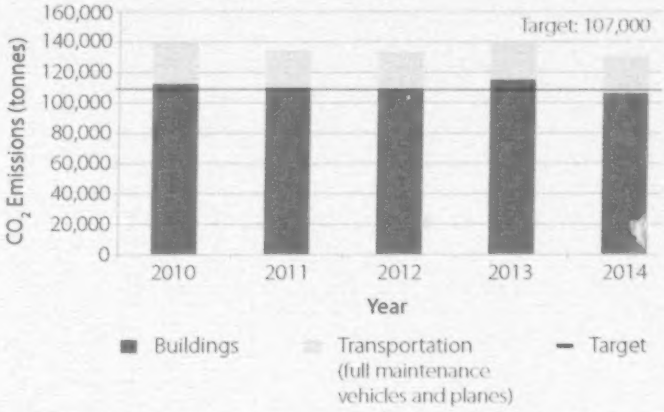
The increased average age of the fleet affects government's ability to improve fuel efficiency. In addition to increasing maintenance costs, an aging fleet results in declining fuel economy, increasing the government's environmental footprint.

New vehicles are typically two per cent more fuel-efficient than the previous model year, while as a vehicle ages its fuel efficiency declines by two per cent.

In line with government's overall commitment on environmental sustainability, the target for increasing efficiency and reducing emissions is 20 per cent of 2007 levels by 2020.

Performance Measures

Emissions from Building and Transportation Portfolios



Source: Central Services, Property Management division, Central Vehicle Agency, Air Services

The Ministry's emissions from buildings and transportation portfolios measure monitors the success of Central Services' strategy to reduce the environmental impact of operations by better managing the building and transportation portfolios. The transportation portfolios include all full maintenance vehicles and the Ministry's aircraft.

The chart shows five years of data, which identifies the Ministry's approximate level of CO_2 emissions based on energy consumed.

The Ministry is targeting a 107,000 tonnes reduction in CO_2 emissions by the year 2020, which would be a 20 per cent reduction from 2007 levels.

Continue building maintenance work to maintain the Facility Condition Index (FCI) at or below 10 per cent.

Building maintenance is a core responsibility for the Ministry. A building portfolio with a facility condition index (FCI) below 10 per cent is considered in fair condition by industry standards.

The FCI for the Ministry of Central Services' building portfolio fell from 16 per cent in 2007 to 8.4 per cent in 2014.

As a result of building maintenance projects, building renewals, replacement projects and disposals, the cost of deferred maintenance rose at a lower rate than the cost to replace the buildings (the asset replacement value).

The Ministry completed 191 construction projects in 154 buildings across 39 Saskatchewan communities. Ninety-three per cent of these projects were completed on-budget.

One of the largest projects led by the Ministry of Central Services was the start of work to restore and preserve the Saskatchewan Legislative building's dome. This multi-year project is addressing damage from the elements that has taken place over the years. These repairs are critical to the building's preservation.

Other major projects include new court facilities in Saskatoon, a new living unit at the Prince Albert Provincial Correctional Centre and mechanical upgrades to various buildings.

They also included construction of equipment storage buildings for the Ministry of Highways and Infrastructure, a new fire cache in Southend for the Ministry of Environment, various projects to maintain the government's building infrastructure, and restoration and renovation of various heritage buildings with the majority being courthouses.

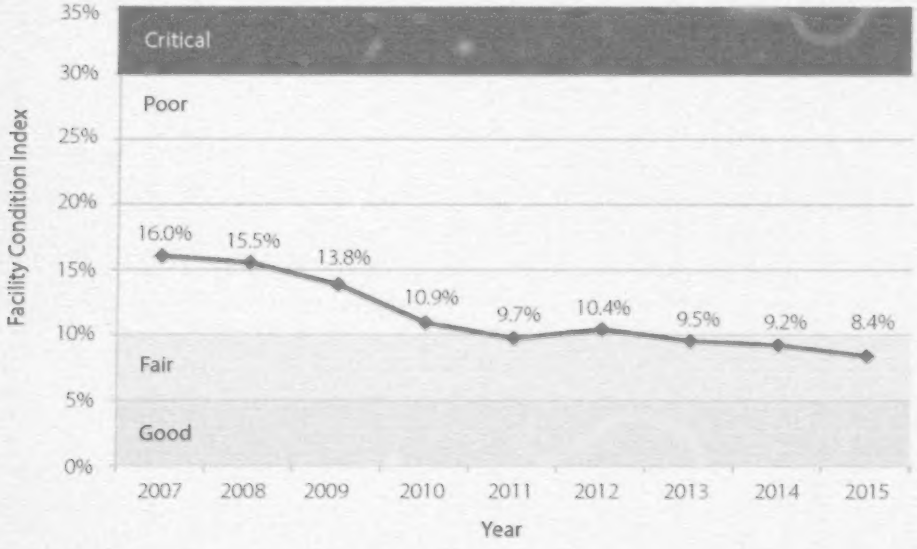
The Ministry uses contracts with architects, engineers, interior designers, builders, suppliers and other professional consultants to obtain the expertise needed to successfully complete these projects.

In 2014-15, 215 of the Ministry's 220 construction contracts were awarded to contractors in Saskatchewan.

Of the Ministry's 105 professional services agreements, over 95 per cent were commissioned to companies in Saskatchewan.

Performance Measures

Average Condition of Government Buildings (FCI)



Source: Central Services, Property Management division

While the facilities condition index (FCI) is used for measuring the condition of individual buildings, it can also be applied to the entire portfolio of buildings owned and managed by Central Services. The FCI compares the relative condition of facilities, and is expressed as a ratio of the cost of maintenance, repair and replacement deficiencies of a facility to the current replacement value of the building.

The higher the FCI, the worse the condition of the building relative to replacement cost. Industry standards indicate that a building with a FCI of less than five per cent is in good condition, between five and 10 per cent is fair, between 10 and 30 per cent is poor and above 30 per cent indicates that a building is in critical condition.

To establish the deferred maintenance costs, Central Services carries out a condition assessment of its building portfolio over a five-year period, with 20 per cent of the buildings receiving a condition assessment per year. Once both the deferred maintenance (DM) and the current replacement values (CRV) have been established for the asset or portfolio, the formula used is FCI=DM/CRV.

Central Services has made significant progress on this measure as government has invested in building renewals, replacement projects and disposal of surplus property. As a result, deferred maintenance has grown by an amount less than replacement costs and the FCI dropped from 16 per cent in 2007 to 8.4 per cent in 2015.

The aging of government buildings is an ongoing challenge for the Ministry. Good planning processes, including planning building renewals, replacements and, where appropriate, building demolitions or disposals, to maintain FCI at less than 10 per cent is a key strategy of the Ministry.

Maintain a sustainable vehicle fleet that meets customer needs.

The Ministry has been undertaking vehicle fleet right sizing, which is an initiative to ensure government's vehicle fleet is the optimal size. Through this initiative, the Ministry aims to provide clients with tools and information necessary to help ensure their vehicles and replacements are the most efficient option for the job function.

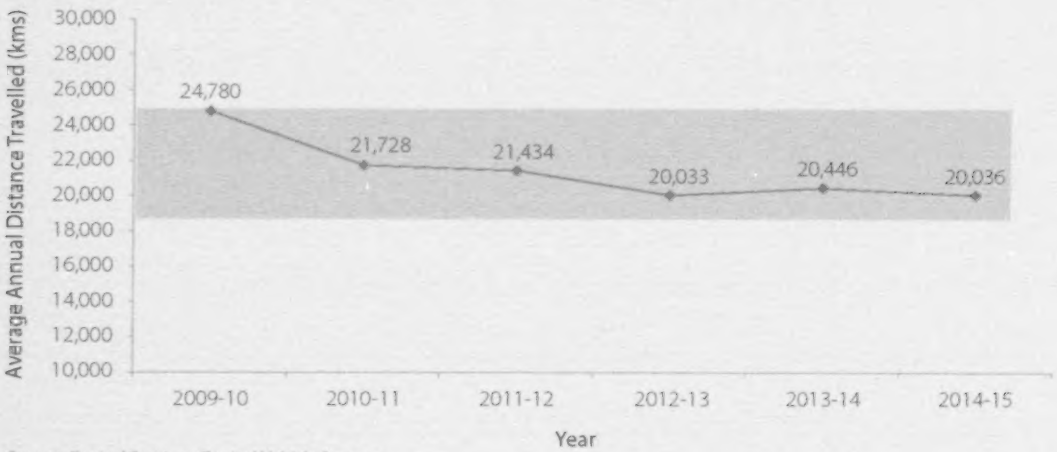
The Central Vehicle Agency worked with its clients to establish three-year fleet management plans. These plans include the:

- continuation and expansion of the vehicle right sizing initiative has the effect of reducing the size of the overall CVA fleet. Clients now fill out a revised vehicle requisition form that asks clients their business needs in order to better identify their vehicle needs. It also allows for identification of under-used vehicles for return or redeployment by the client for program delivery;
- encouragement of more internal sharing and coordination of existing units;
- encouragement of increased CVA Pool location use, where feasible;
- supply of yearly fleet report workbooks to client ministry leadership, identifying positive and negative trends for their consideration in support of planning and informed decision making. For instance, the workbooks:
  - identify low and high use vehicles and recommend internal client rotation;
  - identify trends in average age and size of fleet including percentages of units by model year;
  - identify trends in average kilometres accumulated including percentages of units in each kilometre range;
- supply of a replacement plan addressing the vehicles that will meet the criteria for replacement in the next three years – vehicles reaching 14 years of age or 300,000 kilometres of service; and
- continued standardization of vehicles and equipment for certain specific job functions.

CVA provided ministry clients with their yearly reports and followed up with ministry leaders to discuss the trends identified.

Performance Measures

Average Annual Distance Travelled per Government Vehicle



Source: Central Services, Central Vehicle Agency

Any fleet of vehicles averaging less than 20,000 kilometres travelled per vehicle may be underused, according to fleet management standards; however, the core purpose of some fleet vehicles is to carry specialized equipment or be available for emergency situations in a localized area. These vehicles will reduce the overall average travel of the fleet. An average of more than 25,000 kilometres may indicate more vehicles are required.

This measure includes all full-maintenance vehicles in the fleet. By this standard, government's management of its vehicle fleet is appropriate for the level of need and use.

Central Services has partial control of this measure, as the decisions of client ministries influence vehicle replacements and use.

The distance travelled per year for 2014-15 remains in the optimal range for the eighth consecutive year. This has taken place as CVA continues to review fleet size, use and make-up to ensure it is meeting government's needs.

Work to modernize, prioritize and re-platform government IT applications.

More than 10,130 government workstations were upgraded from the Windows XP operating system to the Windows 7 operating system to help ensure a secure and reliable IT environment.

In order to be compliant with the Windows 7 operating system, software for dozens of applications was modernized and several custom applications were re-platformed.

To modernize government's portfolio 104 outdated ministry applications were decommissioned. Work will continue to decommission outdated applications where possible.

Many versions of software were rationalized to reduce support costs.

The Ministry continued to invest in technologies that allow us to deploy applications to ministry users in the most effective and efficient way possible. Note: from a technical perspective this is modernizing our virtual desktop environment and our

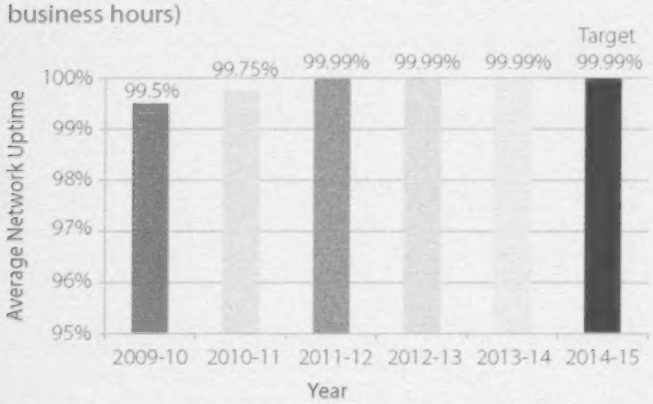
Citrix application deployment environment. Central Services upgraded software on core firewalls to help maintain our ability to meet 99.99 per cent network uptime.

Infrastructure for spam firewalls was upgraded to help keep workstations virus free.

Also, the Ministry negotiated a new CommunityNet contract for provision of network and Internet services across the province, including new bandwidth increments and capacity to accommodate the growth of Internet traffic. Central Services implemented a new email archive system that is easier, faster and more efficient for users.

Performance Measures

Percentage of Network Uptime (during normal business hours)



Source: Central Services, Information Technology division

Measuring the percentage of network uptime supports the Ministry's strategy of working in partnership with the IT sector to provide reliable and innovative services.

There were no significant Government of Saskatchewan network outages in 2014-15.

Increase the resiliency of IT infrastructure and applications to ensure services are both sustainable and reliable.

With 10,133 computers across government having received upgrades to the Windows 7 operating system, security patches and updates are available and regularly deployed, supporting the resiliency of IT infrastructure.

Sixty per cent of these users also received hardware upgrades at this time, helping to ensure employees have reliable tools to carry out their work.

Reducing outdated applications allows the IT division's employees to focus more support efforts on applications with the most business value, contributing to a more sustainable applications portfolio.

In addition, software on core firewalls was upgraded to help maintain the Ministry's ability to meet 99.99 per cent network uptime (no major outages in 2014-15).

Progress in 2014-15

Strategy: Accountability

Results

Establish transparency regarding cost of services.

The Ministry charges cost recovery rates for its services. Costs of services are reviewed with clients when questions arise, are outlined on monthly billings, and are provided through the budget estimates process, manuals and catalogues. The IT division for instance updated its client service catalogue in December 2014. The Telecommunications branch distributed pricing information for telecommunication and directory services to designated contacts for their use when changes occurred in 2014-15.

Implement a comprehensive health and safety strategy to ensure safe work environments and practices and effectively manage return-to-work.

Central Services joined other ministries across government in signing the Saskatchewan Health and Safety Leadership Charter. The Charter signifies the Ministry's public commitment to health and safety, including injury prevention.

Occupational Health and Safety became one of the Ministry's five value pillars and in early 2015 it was identified as one of its strongest areas.

The Ministry rolled out its first-ever comprehensive health and safety program and accompanying manual, which will further strengthen the Ministry's health and safety culture moving forward.

The new manual describes the Ministry's policies and procedures and lays out expectations for a variety of items including safe work practices and reporting of incidents.

The Ministry's Property Management division is in the process of implementing a safety program for the division that aligns with the Ministry's safety program.

The building hazard identification portion of this program has already taken place. Work continues in the development of safe work procedures.

A policy was created and implemented as part of the Ministry's safety program. This policy sets out a target of supporting 100 per cent of the Ministry's projects with a corresponding safety plan.

The division is in the final stages of reassessing all buildings built prior to 1990 for asbestos-containing materials and will ensure the government's public asbestos registry is updated. Central Services' contribution to the registry will be complete by the end of 2015.

Continue to develop and implement an enterprise security program to ensure adequate controls are in place to protect the confidentiality, integrity and availability of government technology systems and data, including the enhancement of the disaster recovery plan for the government's primary data centre.

In the past year, the Ministry's IT division has enhanced its security and risk management policies, increased reporting to customers and revised account and password controls.

The Ministry also reduced the number of employee computers with local administrative access to improve security.

An annual IT security report was developed for each ministry to specifically address network infrastructure patching, data centre compliance and network security metrics. (Note: The security report was developed in 2014-15 and issued in April 2015.) These reports provide awareness and visibility of potential risk and will support ministries in their efforts to ensure information is kept safe.

In addition, risk documentation about legacy hardware and software is now provided to each ministry annually.

The IT division of Central Services continues to work with ministry clients to ensure that critical applications can be recovered through the use of tailored disaster recovery service contracts. This approach is already in place for some ministry applications and is being considered for others.

The Ministry began considering opportunities for a secondary data centre for all critical IT services such as email and network access.

Continue to provide support services to the Information Management Advisory Council (IMAC) in the management of Executive Government's Major IT Initiatives Portfolio and the Central Reporting Framework, as well as the prioritization process for major IT initiatives.

The Ministry continued to manage the government's major IT initiatives portfolio while co-leading the development and implementation of a new IT Governance Framework. Extensive support was provided to IT governance committees, ensuring that IT operations and investments effectively enabled government's programs and services.

Develop and implement space strategies focused on reducing the government office footprint to 18.6m² (200ft²) per Full-Time Equivalent Employee (FTE) by 2020.

Central Services worked with clients to review their accommodation portfolio plans to seek out space strategies and/or opportunities. The standard of 200 square feet of office space per full-time equivalent staff guides ministries when planning for new space and/or renovating existing office space.

Performance Measures

Office space amount per full-time equivalent (ft^2/FTE)

The Ministry uses the office space standard as a measure to compare the current office space use for government ministries. The measure helps show if there has been a change in government's space footprint. The 2014-15 measure is 292.22 square feet per full-time equivalent, which is a slight decrease from the year previous. As relocations and/or renovations require considerable planning, there were not enough projects in 2014-15 to significantly change the overall government office space footprint. Central Services has a low level of control over this measure. Clients determine if such potential projects are a priority for their operations and seek funding as required.

Progress in 2014-15

Strategy: Organizational Performance

Results

Build a values-based culture to foster citizen-centered service excellence, enterprise approaches, operational efficiency and innovation.

The Ministry's Culture and Values Committee provided guidance and oversight in the introduction and embedding of our core values. The focus ensured our managers and leaders are appropriately equipped to support and lead this initiative from within.

A comprehensive communication strategy was implemented to ensure all staff recognize and understand the cultural values of the organization and their role in embedding these values in the service they provide to our customers.

An employee engagement survey was completed with more than 70 per cent of the employees responding with constructive feedback guiding future culture and value initiatives.

An inaugural Central Services' Deputy Minister's Awards Program for customer service, innovation, team leader and safety ambassadorship was put in place. The program recognizes outstanding work done by staff over the past year and serves as a set of examples of the strength of our Ministry and the values that guide us.

Implement an enterprise risk approach to investment prioritization.

In order to ensure the protection of government systems and citizen data, the Ministry's IT division continued to use risk identification and mitigation as part of its investment prioritization process.

Update aged IT applications and develop a plan to reduce the number and variety of IT applications across government.

The Ministry continued to work with client ministries to modernize and enhance a number of key government applications. As part of the Windows 7 project, 104 applications were retired.

The work of assessing and reviewing the best course of action for existing applications is ongoing. In addition to modernization efforts with the Ministries of Justice and Social Services, other opportunities may be present as major business transformation efforts are initiated by ministries across government.

Continue implementation of enterprise architecture standards to guide the development and operation of all IT systems.

Infrastructure standards are well defined and updated twice a year.

The architecture team is being engaged earlier in projects to ensure architecture standards are adhered to, thereby reducing the need for exemptions by 97.5 per cent from 2013-14.

The Architecture team reviewed and provided advice on a total of 51 projects for clients in 2014-15.

Progress in 2014-15

Strategy: Develop a Highly Skilled Workforce

Results

Advance leadership and employee development to promote and embed a service excellence culture in the services the Ministry provides.

Central Services has trained 73 staff in business improvement methods (49 in orientation, 24 as business improvement leaders).

The continuous business improvement of our processes, through the use of various business tools, is shifting the Ministry's culture. Employees and managers are working together to improve delivery of programs and services to their clients by streamlining workflows and increasing productivity.

Provide proactive recruitment efforts for critical talent segments.

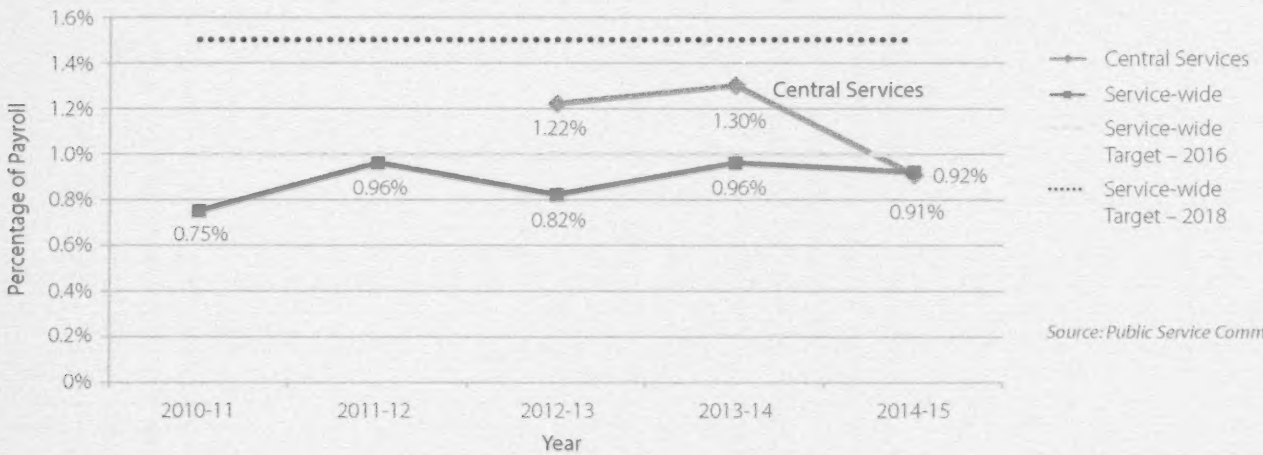
The Building Manager's Development Program finished its first year. Employees who wish to gain practical experience in the field of building management may participate. They work alongside and are mentored by building managers to gain first hand experience in areas like property management, budgeting, human resources and customer service.

This measures the amount Central Services spent on training its employees as a percentage of payroll. The measure provides insight into investment in education, training and development for employees and helps ensure they have the skills and expertise needed to deliver programs and services. The percentages for the Ministry for the last three years, and for the entire public service for the last five years of data, is shown.

In 2014-15, the budget restraint suspended training during the fourth quarter of the fiscal year. As a result, percentage per payroll decreased from 2013-14.

Performance Measures

Percentage of Payroll Spent on Learning and Development



Source: Public Service Commission

2014-15 Financial Overview

Central Services' 2014-15 expenditure budget (appropriation) was $67.70 million, including $33.27 million for capital asset acquisitions.

In addition to appropriated funds, a significant portion of the budget for the programs within Central Services operate on the principles of shared services and net budgeting, which are set out in *The Financial Administration Act, 1993*. The Act allows for ministries to provide shared services to other ministries and to charge those ministries for the costs of those services. In total, the Ministry's budgeted funding was $371.5 million, summarized as:

2014-15 Funding

	2013-14 Actual ($000s)	2014-15 Budget ($000s)	2014-15 Actual ($000s)
Total Expenditure	52,904	67,697	61,495
Costs Allocated to Ministries	300,739	233,066	308,129
Costs Charged to External Clients	70,898	70,772	70,753
Total Budgeted Funding	**424,541**	**371,535**	**440,377**
Less: Costs Allocated to Ministries	(300,739)	(233,066)	(308,129)
Costs Charged to External Clients	(70,898)	(70,772)	(70,753)
Capital Asset Acquisitions	(22,532)	(33,273)	(22,822)
Commercial Activity Deficit	(664)	–	(964)
Add: Capital Asset Amortization	–	420	–
Total Budgeted Expense	**29,708**	**34,844**	**37,709**

Actual funding totalled $440.3 million; a variance of $68.8 million compared to budget. The variance is primarily a result of IT initiatives and construction projects that were completed for other ministries. Results by subvote and program area are summarized in subsequent pages of the annual report.

In 2014-15, Central Services' full-time equivalent budget was 827, net of an in year reduction of 18.9 full-time equivalents. Central Service's average utilization was 898 full-time equivalents net of 43 student full-time equivalents.

Expenses

The following table outlines information on actual and budgeted results by subvote and programs. The table also identifies the amounts allocated to ministries as internal recoveries and amounts charged to clients external to the General Revenue Fund. Significant variance explanations are provided for in the notes.

Subvote/Allocation	(in thousands of dollars) 2013-14 Actual	2014-15 Budget	2014-15 Actual	Variance Over/ (Under)	Notes
Central Management and Services (CS01)					
Minister's Salary (Statutory)	$ 47	$ 48	$ 48	$ -	
Executive Management	771	812	637	(175)	1
Central Services	7,512	8,713	7,293	(1,420)	2
Accommodation Services	389	343	422	79	
Allocated to Services Subvotes	(8,672)	(9,868)	(8,352)	1,516	3
Subvote Total	**$ 47**	**$ 48**	**$ 48**	**$ -**	
Property Management (CS02)					
Operations and Maintenance of Property	$ 151,073	$ 153,921	$ 165,405	$ 11,484	4
Accommodation Costs Incurred on Behalf of the Leg Assembly	3,105	3,002	3,002	-	
Program Delivery and Client Services	17,658	19,475	17,728	(1,747)	5
Environmental Sustainability Investments	1,294	2,012	877	(1,135)	6
Property Management Allocated to Ministries	(122,402)	(124,980)	(128,461)	(3,481)	7
Property Management Charged to External Clients	(44,288)	(46,367)	(45,758)	609	8
Subvote Total	**$ 6,440**	**$ 7,063**	**$ 12,793**	**$ 5,730**	
Project Management (CS03)					
Courthouses	$ 8,017	$ 8,200	$ 7,282	$ (918)	9
Pine Grove Provincial Correctional Centre	2,626	-	6	6	
Prince Albert Provincial Correctional Centre	3,848	12,500	13,000	500	10
Valley View	1,653	-	2,255	2,255	11
Woman's Remand Centre	1,881	-	270	270	
Other	13,616	4,100	15,368	11,268	12
Project Management Allocated to Ministries	(29,388)	(24,800)	(35,692)	(10,892)	13
Project Management Charged to External Clients	(2,253)	-	(2,489)	(2,489)	14
Subvote Total	**$ -**	**$ -**	**$ -**	**$ -**	
Transportation and Other Services (CS05)					
Vehicle Services	$ 38,030	$ 35,210	$ 35,242	$ 32	
Air Services	11,605	11,683	10,800	(883)	15
Saskatchewan Archives Board	4,398	4,401	4,401	-	
Corporate Projects Group	2,462	-	-	-	
Procurement	3,468	4,036	3,329	(707)	16
Mail Services	12,688	12,883	13,040	157	

Telecommunications Services	3,477	3,217	3,685	468	17
Services Allocated to Ministries	(39,593)	(40,339)	(39,635)	704	18
Services Charged to External Clients	(20,883)	(22,272)	(19,335)	2,937	18
Subvote Total	**$ 15,652**	**$ 8,819**	**$ 11,527**	**$ 2,708**	
Major Capital Asset Acquisitions (CS07)					
Land, Buildings and Improvements	$ 8,865	$ 9,517	$ 7,723	$ (1,794)	19
Machinery and Equipment	8,529	9,131	5,795	(3,336)	20
Office and Information Technology	5,138	14,625	9,304	(5,321)	21
Subvote Total	**$ 22,532**	**$ 33,273**	**$ 22,822**	**$ (10,451)**	
Information Technology Office (CS11)					
IT Coordination and Transformation Initiatives	$ 3,642	$ 12,812	$ 7,561	$ (5,251)	22
Application Support	7,411	6,616	7,811	1,195	23
Interministerial Services	110,008	44,146	106,445	62,299	24
IT Allocated to Ministries	(109,355)	(42,947)	(104,341)	(61,394)	25
IT Allocated to External Clients	(3,473)	(2,133)	(3,171)	(1,038)	25
Subvote Total	**$ 8,233**	**$ 18,494**	**$ 14,305**	**$ (4,189)**	
Total Expenditure	**$ 52,904**	**$ 67,697**	**$ 61,495**	**$ (6,202)**	
Less: Capital Asset Acquisition	$ (22,532)	$ (33,273)	$ (22,822)	$ 10,451	
Commercial Activity Deficit	(664)	-	(964)	(964)	
Add: Capital Asset Amortization	-	420	-	(420)	
Total Expense	**$ 29,708**	**$ 34,844**	**$ 37,709**	**$ 2,865**	

Explanations of Major Variances:

1. Savings are primarily a result of lower than budgeted salary expenses due to vacancies.
2. Central Services' variance is primarily a result of salary savings due to vacancies.
3. Savings from this subvote were reflected in the allocations to the subvotes with commercial activity.
4. Variance is attributable to increased spending on government owned building maintenance projects.
5. Savings in Program Delivery and Client Services is primarily attributable to salary savings as a result of vacancies.
6. Projects were deferred to offset other pressures within the Ministry.
7. The variance in recoveries is a result of space changes.
8. The variance in recoveries from external clients was due to space changes.
9. The variance in courthouses is a result of minor schedule changes.
10. More work was completed on the Prince Albert Correctional Centre than was originally scheduled.
11. Additional work requested by client ministry.
12. Other client projects are related to equipment storage buildings, office tenant improvements, and other miscellaneous projects that were identified by ministries in-year.
13. Increase in recoveries related to client projects that were identified by ministries during the fiscal year.
14. Increase in non-GRF client projects resulted in higher than budgeted recoveries.
15. Expenses for Air Services were lower than budgeted due to decreased travel.
16. The variance is primarily a result of savings in salaries.

17. This variance reflects the increased demand in bandwidth and additional multi-tenant accesses for the CommunityNet services.
18. The variance is a result of recoveries being lower than budget in Air Services and Vehicle Services.
19. Land, Buildings and Improvements was under budget due to scaling back capital building projects.
20. Machinery and equipment purchases were scaled back to help offset pressures within the Ministry.
21. The variance in Office and Information Technology was due to scaling back of projects.
22. The variance represents planned savings from vacancy management and slowing of IT initiatives that were used to offset pressures within the Ministry.
23. Application Support experienced pressures due to increased support required for aging applications.
24. The variance is a result of major IT initiatives and other in-year requests. The budget for these initiatives is appropriated to client ministries.
25. Increased demand from external clients.

Revenues

The majority of the revenue collected by the Ministry of Central Services is related to the provision of commercial activities. The following table outlines information on actual and budgeted revenues.

	2013-14 Actual ($000s)	2014-15 Budget ($000s)	2014-15 Actual ($000s)	2014-15 Budget to Actual ($000s)	Notes
Transfers from Government Entities and Other Own-Source					
Sales, Services and Service Fees	297	-	104	104	1
Other Revenues	2,660	-	5,325	5,325	2
Commercial Operations	70,898	70,772	70,753	(19)	3
Total	**73,855**	**70,772**	**76,182**	**5,410**	

Explanations of Major Variances:

1. The majority of the revenue from sales, services, and service fees was obtained from the sale of previously expensed assets.
2. The majority of "Other" revenue was due to the sale of surplus properties, as well as the disposal of vehicles.
3. Commercial operations revenue is received from clients that are external to the General Revenue Fund.

For More Information

For general information about Central Services, please visit www.saskatchewan.ca.

Other important websites:

www.sasktenders.ca
www.sasksurplus.ca
www.communitydonations.ca

For more information about the Government of Saskatchewan, please visit www.saskatchewan.ca.

For specific enquiries related to this report, please contact:

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Corporate Planning
1920 Rose Street
Regina, SK S4P 0A9
Phone: 306-787-4241
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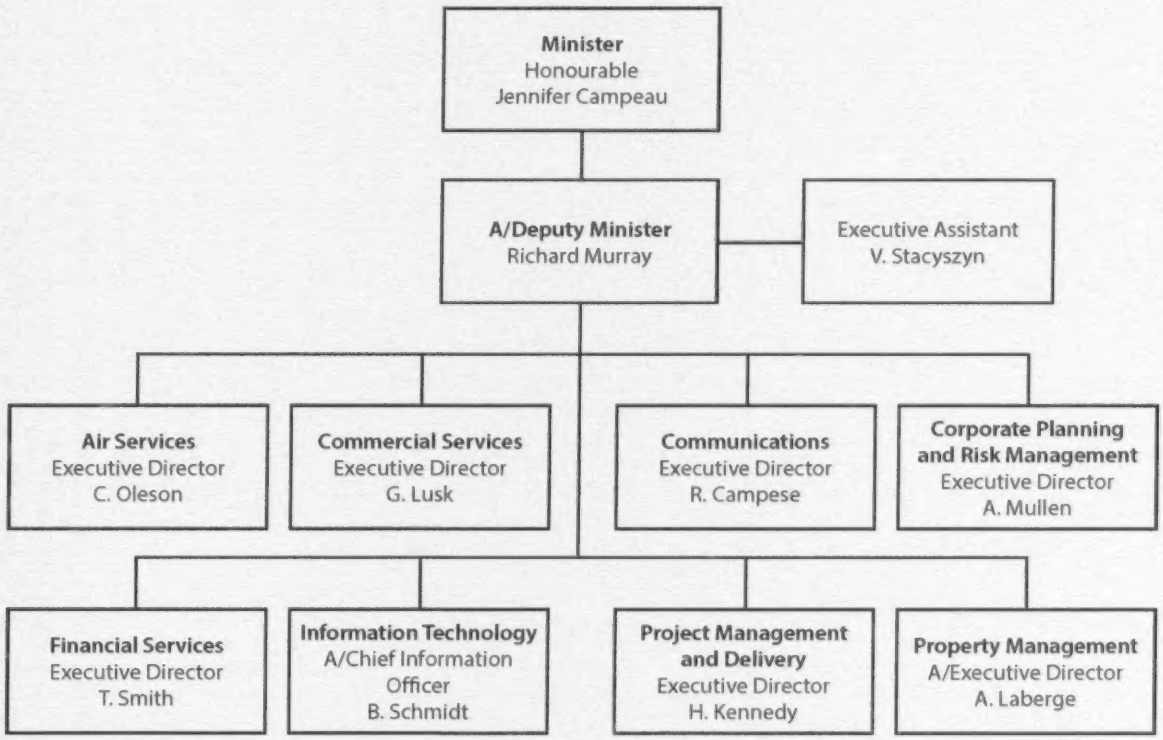
Government of Saskatchewan

Appendix A: Organizational Chart



Note: This organizational chart represents the structure of the Ministry as of March 31, 2015.

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